

June, 15 2005

Dear Franchising Executive:

Consider a two-prong approach to launching your franchise activity in Italy: participate in the US pavilion at the leading franchise show "Franchising & Partnership" and benefit from the focused matchmaking campaign. This campaign features a schedule of pre-screened, one-on-one appointments with potential master licensees.

The Milan office of the US Department of Commerce will provide you with a turnkey booth, conduct the matchmaking campaign, assist with qualified interpreters, promote and advertise the US pavilion, assist with the logistics, and much more.

The 20th Edition of "Franchising & Partnership", to take place on October 21-24, 2005, will be the first show to be held at the new Milan Fairgrounds, the world's largest and most prestigious trade show facility. The US pavilion will be the highlight of the event, as it has been for the past ten years and, as such, will receive ample press coverage and high visibility. Milan is the ideal site, as the commercial capital of Italy, one of the world's most advanced economies and a market of 57 million people.

Please, review the attached information and fax back the "rapid response form". We will call you and outline the entire program. We are eager to promote your company in the growing Italian market.

RAPID RESPONSE FORM

U.S. PAVILION AT THE ITALIAN FRANCHISING EXHIBITION

Milan, Italy – October 21-24, 2005

Yes, I am interested in learning more about participating in the U.S. Pavilion at the Italian Franchising Exhibition.

Please contact me with additional information

Name of Company: _____		
Contact Person: _____		
Address: _____		
ZIP: _____	City: _____	State: _____
Phone: _____		Fax: _____
E-Mail: _____		Internet: _____
Description of your type of business _____		

PLEASE FAX THIS FORM TO:

Andrea Rosa, at +39-02-6596561

American Consulate General – Milan, Italy

Tel.: +39-02-62688523 - Email: andrea.rosa@mail.doc.gov



**JOIN THE U.S. PAVILION AT THE
20th ITALIAN FRANCHISING EXHIBITION
Milan – Italy, October 21-24, 2005**

FACT SHEET FOR PARTICIPANTS

Take advantage of this unique opportunity to participate in the U.S. Pavilion at Italy's leading franchising show. The Commercial Service of the American Consulate in Milan organizes the U.S. Pavilion.

TWO OPTIONS ARE AVAILABLE:

OPTION # 1: FOR A PARTICIPATION FEE OF EURO 5,050 YOUR COMPANY WILL RECEIVE:

- A schedule of one-on-one appointments with potential business partners/master franchisees.
- A 3x3 meter (10' x 10') fully equipped booth in the strategically located U.S. Pavilion.
- Countrywide promotion of the US Pavilion.
- All show logistics (registration, translation of product description for insertion in the show catalog, booth construction, and other support services).
- On-site assistance by Commercial Service staff, including a team of experienced interpreters.
- Assistance with hotel reservations at discounted Consulate rates.

OPTION # 2: FOR A PARTICIPATION FEE OF EURO 3,650 YOUR COMPANY WILL RECEIVE:

- A 3x3 meter (10' x 10') fully equipped booth in the strategically located U.S. Pavilion.
- Countrywide promotion of the US Pavilion
- A full time experienced interpreter/assistant
- All show logistics (registration, translation of product description for insertion in the show catalog, booth construction, and other support services).
- On-site assistance by Commercial Service staff.
- Assistance with hotel reservations at discounted Consulate rates.

THE MILAN FRANCHISING SHOW IS THE IDEAL GATEWAY TO THIS MARKET

- The Milan event is Italy's largest franchising show.
- The 2004 show featured 300 exhibitors and 25.000 qualified visitors.
- Foreign visitors from 50 countries attended the event.
- The U.S. Pavilion will be promoted as the event's top attraction.

ITALY IS A GREAT MARKET FOR U.S. FRANCHISORS

- Italy is the world's sixth largest industrial economy.
- Italy is Europe's second largest market for franchising.
- The number of franchisors has been growing constantly, totaling 665 at the end of 2004.
- Total business turnover is expected to reach \$ 18 billion in the year 2005.
- The United States is Italy's source for advanced, profitable and innovative franchising formulas.

ACT NOW TO ENSURE YOUR PLACE IN THE U.S. PAVILION!

If you have any questions, please contact:
Andrea Rosa, E-mail: andrea.rosa@mail.doc.gov

ITALY

A PROMISING MARKET FOR INNOVATIVE U.S. FRANCHISE CONCEPTS

It has been over thirty years since franchising arrived in Italy. The Italian Franchise Association was established in 1971 and the first brand was launched in the same year. Franchising has come a long way in this relatively short time; the latest figures indicate that in 2004 Italy had 665 franchisors and 42,000 franchisees. Among European countries Italy ranks second after the UK both in number of franchisors and of franchised units. The total business turnover of the franchising sector was in excess of 14 billion Euro and 109,877 people were employed in franchising activities. Franchising plays a significant role in the Italian economy and it is one of the few sectors to have registered a positive trend, growing steadily in recent years.

Successful new franchises have created awareness in the Italian business community of franchising as an innovative way to introduce a business concept. This perception is enhanced not only by events such as franchising trade shows in Italy, but also by favorable publicity in leading financial and trade magazines. Though most of these franchises are concentrated in northern Italy, franchising is also gaining momentum in southern Italy where it is perceived as a way to address the effects of chronic unemployment.

The presence of foreign franchisors has been growing, with 75 foreign brands operating in Italy in 2004. Though the number of U.S. companies in the local market is still limited, U.S. franchising firms rank first among foreign companies, with 38 brands. U.S. franchising is recognized countrywide as the leader in the sector and is considered the primary source for innovative concepts and formulas. Thus, good opportunities exist for U.S. franchisors to penetrate the Italian market successfully, if they have the flexibility to adapt to local business practices and to determine realistically the entry fee.